GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1652
ANSWERED ON:10.03.2017
Tax Evasion on Import of Standard Newsprint
Raj Dr. Udit

Will the Minister of FINANCE be pleased to state:

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(a) Whether the Government is aware that third parties are allowed freely import standard newsprint (HS code 48010090) under new foreign trade policy, if so, the details thereof;

(b) Whether newsprint imports are shipped from originating countries, but invoices are raised from countries commonly considered tax heavens, if so, the details thereof;

(c) The steps taken/being taken to combat third party imports and money laundering in imports under HS code 48010090;

(d) Whether the Government has received any proposals to aid domestic mills producing newsprint which are now facing closure due to duty free import policy for HS code 48010090, if so, the details thereof and action taken thereon; and

(e) The number of such operational and non-operational mills likely to be benefited after the implementation of the said proposal?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) The import policy of Items covered under Exim Code heading 4801 i.e. Newsprint, in Rolls or Sheets including (48010090-Others) is "Restricted". The import Policy Condition No. 2 under Chapter 48 of ITC(HS) was revised vide DGFT's Notification no. 9 dated 3rd June, 2016 in consultation with Department of Industrial Policy and Promotion and which reads as under:

"Item cover under Exim Code heading 4801 shall however be permitted without an import license subject to Actual User condition to those who hold 'Registrations Certificate' issued by the Registrar of Newspapers for India (RNI), Ministry of Information and Broadcasting, New Delhi, on submission of necessary documentary evidence, duly authenticated by the RNI, to the satisfaction of the Customs authorities at the time of import of goods. In addition, importer shall also be required to submit an annual audited statement reflecting the total quantity and value of the newsprint consumed and quantity of newsprint imported by them in the preceding (Licensing) year to the Registrar of Newspapers for India, by 30th April of each year. The format of the declaration and the annual statement and other guidelines in this regard shall be as announced by the Ministry of Information and Broadcasting from time to time."

(b) Instances of invoices from Hong Kong, Singapore, Republic of Korea and UAE were found for goods shipped from other countries.

(c) Strict Vigil is maintained by the officers of Customs field formations to thwart any attempt of such illegal imports.

(d) No

(e) N.A. as a consequence to reply at (d) above.